



**Leonard J. Call**  
Vice President – Law  
& Director of Federal Government Affairs

Suite 1000  
1120 20<sup>th</sup> Street, NW  
Washington DC 20036  
202-457-2120  
FAX 202-457-3205

April 19, 2002

Electronic Filing  
Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TWB-204  
Washington, DC 20554

Re: In the Matter of Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers and Implementation of the Local Competition Provisions in the Local Telecommunications Act of 1996, CC Docket No. 96-98

In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147

In the Matter of Performance Measurements and Standards for Interstate Special Access Services, CC Docket No. 01-321

In the Matter of Performance Measurements and Standards for Unbundled Network Elements and Interconnection, CC Docket No. 01-318

Dear Ms. Dortch:

Yesterday, C. Michael Armstrong, AT&T Chairman and C.E.O., David Dorman, AT&T President, James W. Cicconi, AT&T General Counsel and Executive Vice President, and I met with Chairman Michael K. Powell and Kyle Dixon, Legal Advisor to Chairman Powell. During that meeting we discussed AT&T's local service offerings and facilities, and reviewed the need of AT&T and other CLECs to access UNEs, including UNE-P, to compete in the local exchange marketplace. We also discussed the provisioning difficulties associated with unbundled loops. We reviewed AT&T's efforts in the small business market initially to serve customers through UNE-P and later to transfer large groups of customers to AT&T's switch on a "project" basis. We also noted that the availability of UNEs does not hinder facilities investment, but rather fosters investment. In addition, we reviewed how competition developed through resale and leasing in the long distance market, discussed efforts by the States to foster competition, and noted the success of UNE-P based services in States like New York. The statements

made by the AT&T representatives are reflected in AT&T's written submissions in the referenced proceedings. We shared the attached materials during the course of our discussion.

I have submitted one electronic copy of this Notice for each referenced proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Dixon", written in a cursive style.

att.

cc: Chairman Powell  
Kyle Dixon

# Experience Confirms That UNE Loops Alone Cannot Currently Support Meaningful Competitive Entry

1999 – 2000 (2 years)

2001

UNE-L

Strategic Shift to UNE-P for  
Small Business Customer Acquisition in 20 Mkts

Service Interval (POS to Dial Tone):	45 days	21 days
Customer Cancellations Prior to Cut-Over:	54%	20%
Rate of Service Interruption:	6-9%	1-3%
Mean Time to Repair Service Interruption:	15 to 35 hours	3 to 28 hours
Trouble Tickets per order:	5-9%	.6-1.7%

After pursuing UNE-L as its exclusive means for serving small business locations, AT&T, in 2001, used UNE-P for customer acquisition, and tested the process and economics supporting bulk conversions of UNE-P to UNE-L. Though this process has been tested with only limited volumes in the small business market, the results have been sufficiently encouraging that AT&T intends to expand its use in the small business market. It is clear that the process could not support conversions in the residential mass market.

## Small Business Plan, 2002 - 2003

